

Decision 03-06-014 June 5, 2003

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Grace A. Hughes, President of Marin Airporter, PSC No. 990, requesting authority to obtain a new Zone of Rate Freedom, (ZORF) in Marin Airporter Local Tariff No. CA PUC No.3 containing rates and fares of this common carrier for the transportation of passengers and their baggage and the performance of specified services related thereto, as authorized by Section 454.2 of the Public Utilities Code and for authority to depart from the terms of the provisions of Section 491 of said Code when accomplishing such publication.

Application 02-07-037  
(Filed July 17, 2002)

**O P I N I O N**

**Summary**

This decision grants the application of Marin Airporter (Applicant), a corporation, to increase its fares pursuant to Public Utilities (Pub. Util.) Code § 454 and to continue to exercise a previously authorized zone of rate freedom (ZORF) pursuant to Pub. Util. Code § 454.2.

**Discussion**

Applicant is authorized by Decision (D.) 85545, dated March 9, 1976,<sup>1</sup> to operate as a passenger stage corporation (PSC-990) to transport passengers and

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<sup>1</sup> The authority issued by D.85545 in Application (A.) 56239 was subsequently revised by D.91756 in A.59333, and D. 92-03-082 in A.91-12-037.

their baggage between points and places in Marin County, on the one hand, and San Francisco International Airport (SFO), on the other hand.

Decision 95-06-042, dated June 21, 1995, granted Applicant's request to increase its fares and to establish a ZORF of \$5 above and below the increased fares (which became "base rates" for purposes of applying the ZORF). Since then, Applicant has relied on its ZORF to increase fares. The last change within the ZORF was made June 10, 2002. Nearly all of Applicant's current fares have reached the upper limits of the ZORF. One-way fares range between \$14 and \$18.

Applicant has experienced a significant increase in expenses, including costs of labor, equipment, parts, maintenance, and fuel. Equipment replacement costs now exceed \$400,000. At the same time, Applicant has seen its revenue fall as a result of a decline in ridership. It attributes this to a general downturn in the economy and the events of September 11, 2001, which impacted air travel and related industries.

Applicant has taken cost cutting measures, but it nevertheless finds it difficult to cover the costs of operating its business. Applicant projects an operating ratio of 101.2% for a 12-month test period, based on 2002 revenues and expenses, and current fares.

Applicant requests authority to increase its fares by making most of its existing fares under the ZORF its new base rates. An exception is the \$14 fare that applies between Sausalito/Mill Valley and SFO. This fare would increase to \$15, one dollar above the upper limit of the current ZORF. Applicant seeks to continue to exercise the ZORF of \$5 above and below its base rates as authorized by D.95-06-042. The ZORF permits Applicant to depart from Pub. Util. § 491 by changing fares on less than 30 days' notice to the Commission and the public. Applicant requests continuation of this authority.

Applicant competes with other PSCs, taxicabs, limousines, buses, and automobiles in its service area. This highly competitive environment should ensure that Applicant will price its fares at reasonable levels. Many other PSCs have been granted ZORFs. The ZORF that Applicant seeks to continue is consistent with ZORFs held by other PSCs.

Notice of filing of the application appeared in the Commission's Daily Calendar on July 29, 2002. In Resolution ALJ 176-3092 dated August 8, 2002, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3092.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

### **Assignment of Proceeding**

Richard Clark is the assigned Examiner in this proceeding.

### **Findings of Fact**

1. Applicant is authorized to operate as a PSC between points in Marin County and SFO.
2. Applicant seeks authority to increase its fares by making its current fares under a previously authorized ZORF its new base rates, except for the fare of \$14, which will increase to a base rate of \$15.
3. Applicant requests approval to continue to exercise the ZORF of \$5 above and below its base rates as authorized by D.95-06-042 and as published in its Local Passenger Tariff No. 1-B, CPUC No. 3, filed with the Commission.

4. Applicant requests authority to depart from Pub. Util. § 491 by making fare changes within the ZORF on 10 days' notice to the Commission and the public.

5. Applicant has not sought Commission authorization to increase its rates since it established the ZORF granted by D.95-06-042. Applicant has not made any changes to its fares published within its ZORF since June 10, 2002.

6. Applicant has demonstrated that its costs have increased significantly.

7. Applicant will compete with PSCs, taxicabs, limousines, buses, and automobiles in its operations. Continuation of the ZORF is fair and reasonable.

8. No protest to the application has been filed.

9. A public hearing is not necessary.

10. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

### **Conclusions of Law**

1. The application for an increase in rates is justified and should be granted.

2. Applicant should be authorized to apply the ZORF granted by D.95-06-042 to the increased rates approved by this decision.

3. Before Applicant changes any fares under its ZORF, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the then currently effective fare between each pair of service points.

4. Since the matter is uncontested, the decision should be effective on the date it is signed.

### **O R D E R**

#### **IT IS ORDERED** that:

1. Marin Airporter (Applicant) is authorized under Public Utilities (Pub. Util.) Code § 454 to increase rates in its Local Passenger Tariff No. 1-B, CPUC No. 3, as requested in its application.

2. Applicant is authorized under Pub. Util. Code § 454.2 to continue to exercise the zone of rate freedom (ZORF) authorized by Decision 95-06-042 of \$5 above and below its base rates, published in its Local Passenger Tariff No. 1-B, CPUC No. 3, on file with the Commission.

3. Applicant shall file its tariff changes in accordance with this order on not less than ten days' notice to the Commission and to the public. The ZORF granted herein shall expire unless exercised within 120 days after the effective date of this order.

4. Applicant may make changes within the ZORF by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

5. In addition to posting and filing tariffs, Applicant shall post notices explaining fare changes in its terminals and passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least 30 days.

6. The Application is granted as set forth above.

7. This proceeding is closed.

This order is effective today.

Dated June 5, 2003, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
CARL W. WOOD  
LORETTA M. LYNCH  
GEOFFREY F. BROWN  
SUSAN P. KENNEDY  
Commissioners